



## Senate

General Assembly

**File No. 474**

January Session, 2009

Substitute Senate Bill No. 1102

*Senate, April 6, 2009*

The Committee on Energy and Technology reported through SEN. FONFARA, J. of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### **AN ACT CONCERNING HYDROGEN.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) Any operator of a
- 2 generating facility, other than a generating facility that uses coal as
- 3 fuel, may, during periods when such facility is not serving load,
- 4 operate such facility to make hydrogen. Any revenues resulting from
- 5 such operations shall not be counted as generating revenue for any
- 6 purpose and shall be taxed at fifty per cent of the otherwise applicable
- 7 tax rate pursuant to section 12-265 of the general statutes.
- 8 Notwithstanding any provision of the general statutes, no additional
- 9 permits or siting requirements shall apply to any such generating
- 10 facility operator that constructs facilities or purchases equipment to
- 11 generate hydrogen pursuant to the provisions of this section.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
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***Statement of Legislative Commissioners:***

"Operator of a" was inserted in the first sentence, "operator" was inserted in the last sentence and a reference to section 12-265 was added for clarity.

***ET***        *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note****State Impact:**

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Department of Revenue Services	GF - Revenue Gain	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

This bill will result in a potential revenue gain to the General Fund from the Public Service Companies Tax by allowing certain electric generating facilities to produce hydrogen.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sSB 1102*****AN ACT CONCERNING HYDROGEN.*****SUMMARY:**

This bill allows any electric generating facility, other than one using coal, to operate to make hydrogen during periods when it is not serving load. The bill does not define the phrase “serving load,” but it appears that the bill applies only when the facility is not selling any power to the grid.

Under the bill, any revenue resulting from the hydrogen production operations may not be counted as generating revenue for any purpose and must be taxed at 50% of the otherwise applicable tax rate. Notwithstanding the statutes, no additional permits or siting requirements apply to any such generating facility that builds facilities or purchases equipment to generate hydrogen under the bill.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable Substitute

Yea 14 Nay 7 (03/19/2009)